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CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25, D. C.

OFFICE OF THE DIRECTOR

24 August 1958

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Taiwan Strait Situation

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1. This memorandum is based on all sources available to C.I.A. as of 1200 EDT, 24 August.

Saturday's Operations

2. The principal Communist shelling of the Quemoys occurred between 1830 and 2000 (Far East time) on 23 August. According to Peiping radio, it was prompted by the sighting of a Nationalist transport ship approaching Quemoy with reinforcements.

3. Reports conflict on the number of rounds fired. Heavy barrages fell on both Big and Little Quemoy as well as on Tatan and Ehrtan, two lesser islands in the Quemoy group. (See chart)

4. Nevertheless, not all official reports are in as yet, and it is probable that the total August 23 firing may run higher than the 3,000 rounds initially reporte[redacted], although the 41,000 figure reported by the Nationalist Ministry of Defense appears inflated. This latter figure also covered Little Quemoy, Ehrtan and Tatan which appear to have been major targets.

5. The Communist barrage was directed against the Nationalist Quemoy Defense Command headquarters area. Nationalist and American communications on Quemoy were disrupted; MAAG offices and the hostel were damaged. A radar site and one end of the airfield were damaged. No Americans were hurt[redacted]

6. Press from Taipei reports 200 Nationalist troops and 11 civilians were killed or wounded. [redacted] 100 seriously (6)(1) (6)(3)

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wounded and many more slightly. Nationalist defense minister Yu Ta-wei was slightly injured and the deputy chief of the Nationalist Quemoy command was killed. The shelling came while Yu was visiting the island. [redacted] Ching Kai-shek toured Quemoy on 20 August on an inspection and morale-building trip.) There is a report, considered doubtful by USAF officials in Taipei, that Communist MIG's on August 23 strafed and killed Nationalist troops unloading materiel on Quemoy wharf during the shelling.

7. We have information [redacted] that the ChiNats in the Quemoy area returned the ChiCom fire. This would be usual procedure but we have no information as to the extent of such ChiNat action. There are no reports indicating that the ChiNat Air Force has taken any action either against the gun emplacements or airfields on the mainland. The only airstrip on Quemoy is a transport aircraft strip and not understood to be useable by jet aircraft.

Sunday's Operations

8. Shelling from the mainland was resumed on the evening of August 24, local time, for about 70 minutes. There are as yet no reports as to damage done by this bombardment.

9. At least eight communist jet fighters bombed and strafed the northwest tip of Big Quemoy at dusk (Far East Time) on 24 August. * This is reported both through Air Force and Press channels. Four ChiCom gunboats and six LCM landingdraft are [redacted] o have shelled Tungting, Tatan, and Ehrtan, three small is lands in the Quemoy group, in the evening of 24 August. The naval attacks are still in progress. Although the ChiNats believe an invasion has begun, U.S. Air Force officials on Taiwan are inclined to see the activity as Peiping's probing for American reaction. They see no full-scale invasion coming unless USA reaction is negative. Meanwhile, [redacted] a Chinese Nationalist LST on a regular supply run to the Quemoys has been torpedoed by a ChiCom P.T. boat between Taiwan and the Mainland - 24-12 North, 118-35 East. A U.S. Navy LST is going to assist. It is also reported by the [redacted] that Chinese Communist frogmen have landed on Hutsu in undisclosed strength. [redacted] at 2200 (Far East Time) [redacted] small patrol boats (YP's) and 30 motorized junks were sighted heading for Tungting Island.

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10. At a Rumanian National Day reception in Peiping, Foreign Minister Chen Yi extemporized at the end of his speech that "The Americans have challenged us and we will challenge them....we shall take the off shore islands." [redacted] reporting this initially thought this to be another propraganda attack and not an indication of imminent hostilities.

11. ChiCom air strength in the coastal airfields now is about 1800 MIG's. Moreover, on 22 August, 11 - 28 jet bombers, perhaps an entire division of 90 bombers moved to Changshu airfield, near Nanchang in Southeast China. These were the first bombers to arrive in the area, but Changshu is inland about 300 miles from the coast.

ALLEN W. DULLES
Director

P.S. Attached is a copy of a cable just received from Admiral Smoot, Chief of the U.S. Taiwan Defense Command and head of MAAG on Taiwan, addressed to CINCPAC and CNO. It was dispatched at about midnight (Taiwan time) of 24-25 August.

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